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Michigan Partners With Five Consortia Vying to Win Federal "Tech Hub" Designation

Tech Hub Partners Aim to Build "Global Leadership" in Critical Technology Areas Within a Decade

LANSING, Mich. — One year after Congress passed the bipartisan <u>CHIPS and Science Act</u>, innovation leaders in Michigan are driving efforts to secure federal funding and position the state as a global leader, creating good-paying jobs in the innovative industries of the future.

As part of the CHIPS Act, Congress directed the federal Economic Development Administration (EDA) to launch the "Regional Technology Innovation Hub Program," a national contest in which regions across the country vie for federal funding to diversify the country's high-tech economy and increase innovation across communities. The CHIPS Act will invest \$10 billion over five years in 20 regional technology and innovation hubs with \$3 billion to be distributed in 2023-24 and \$7 billion from 2025 to 2027. Applications for the program are due August 15.

In May, Lt. Governor Gilchrist II, the Michigan Infrastructure Office (MIO), the Department of Labor and Economic Opportunity (LEO), and the Michigan Economic Development Corporation (MEDC) launched a statewide effort to support the regions to advance their Tech Hubs efforts. The cross-agency team led a series of convenings focused on bringing together stakeholders to work together in new ways to develop regional innovation strategies.

"Our state's unwavering commitment to securing federal funding for a regional tech hub underscores our belief in the power of collaboration, creativity and cutting-edge technology," said **Lt. Governor Garlin Gilchrist II.** "Bringing a Tech Hub to Michigan will strengthen our economy and create ground for ideas to grow, talents to shine and communities to prosper. By working together, we can shape a brighter tomorrow and solidify Michigan's position as a leader in technological advancement."

State leaders, tech entrepreneurs, higher education institutions and community members gathered for the Michigan Innovation Summit in June. The Summit was a collaborative event that allowed each region to pitch their tech focus area and gather feedback from statewide innovation and community development leaders. During the summit, each region shared a five-minute presentation sharing what a Tech Hub could look like in their communities and how they would present their case for federal funding.

"Unlocking Michigan's true potential lies in our ability to synergize our regional strengths and pull together in full force to collaborate on a path to secure federal funding," said Michigan's Chief Infrastructure Officer and Director of the Michigan Infrastructure Office Zachary Kolodin. "By harnessing the distinctive assets of each region, we can fuel our journey toward unmatched global competitiveness and usher in projects that will create positive knock-on impacts for generations to come."

In partnership with the state, five regions in Michigan will submit Tech Hub applications, each with its own areas of focus and vision for the funding.

Detroit-Ann Arbor Mobility Tech Hub. The Detroit-Ann Arbor Mobility Tech Hub, led by Michigan Central, will help the Detroit-Ann Arbor Region realize its potential to become the world-class leader for electrified, software-defined mobility. Michigan is the global capital of mobility and the preeminent place for automakers and auto suppliers. 26 OEMs have headquarters or technology centers in Michigan and 96 of the top 100 automotive suppliers are located in the state. A Tech Hubs Designation in electrified, software-defined mobility will be critical for the Detroit-Ann Arbor region to realize the shared vision for the region to transition beyond the existing, traditionally Internal Combustion Engine (ICE) automotive strength. The Detroit-Ann Arbor Mobility Tech Hub will build on national priorities and the economic development success of recent years in EV, multi-mobility, and entrepreneur development.

Greater Grand Rapids Global Center for Battery Production Innovation. The Greater Grand Rapids Global Center for Battery Production Innovation (GCBPI) – led by Grand Valley State University – will support good-paying jobs, fuel economic growth in Greater Grand Rapids, and solidify our state's leadership in high-capacity battery development. Michigan is on the move, and we have an extraordinary opportunity right now to create thousands of good-paying manufacturing jobs and bring supply chains home. In the last year alone, our Administration has secured over \$16 billion in projects which will create more than 16,000 good-paying jobs, many in battery manufacturing and electric vehicle production. By synthesizing high-capacity batteries alongside advanced manufacturing and robotics, GCBPI plans to create and support a domestic market for core technologies including cell production, novel chemistry development, battery production equipment, and other essential supply chain components.

Materials Advancement and Research Hub. Led by the MSU Foundation, a Tech Hub in the Lansing region will have a transformational impact on the country's ability to utilize advanced materials in groundbreaking advancements ranging from semiconductors to healthcare and align with the United States' national security priorities. Synthetic diamonds – thanks to their hardness, thermal attributes, and durability – can be used in military optics and sensors and to reinforce composite materials in body and vehicle armor, ensuring our servicemembers always have the best equipment for their safety. And as the auto industry transitions to battery electric vehicles, advancements in advanced materials will allow drivers to charge their cars five times faster than today's technology.

Discover Blue Consortium. Led by Traverse Connect, a Tech Hub in Northern Michigan would be transformational, building on our economic strengths and creating unparalleled opportunity to foster groundbreaking investments in water technology. Michigan is home to the Great Lakes, which hold 21% of the world's fresh surface water. Our lakes define us and are a vital part of our economy, supporting hundreds of thousands of jobs and powering a \$6 trillion regional economy. By utilizing our natural regional assets, legendary manufacturing heritage, and robust, modern workforce, the Discover Blue Consortium will pursue advancements in freshwater innovation, defense and industrial espionage capacity, engineering and technology, and aquatic science.

Skylift. Led by Western Michigan University, Skylift will build global leadership in Electric Vertical Takeoff and Landing (eVTOL) aircraft designed to navigate the complex labyrinth of modern cities deftly. Michigan has led the way in innovation in vehicle mobility over the last century, and Skylift proposes to leverage these unique strengths to lead on advanced air mobility. Skylift aspires to a future where eVTOL aircraft are an integral part of urban landscapes, contributing to a clean, efficient, and high-speed air transport system.

"There is amazing innovation happening in every corner of our state, and the Tech Hubs program provides a powerful opportunity to turn that innovation into equitable economic growth and a more prosperous Michigan," said **Jonathan Smith, Chief Deputy Director of the Michigan Department of Labor and Economic Opportunity**. "The Department of Labor and Economic Opportunity is committed to partnering with each of the regional applicants to ensure we're providing the skills, credentials and training Michiganders need to Make it in Michigan."

The state used the findings from the MI Tech Hub convenings and feedback from the Michigan Innovation Summit to support each region in developing distinctive, competitive applications. The EDA is expected to announce designations for the "Regional Technology Innovation Hub Program" in Fall 2023. Lessons learned from this Tech Hubs effort will inform statewide efforts to coordinate applications for future federal funding opportunities.

"After securing wins over the last two years, including our recent recognition as a top 10 state for our tech talent pipeline by Business Facilities, Team Michigan demonstrates our state remains welcoming of innovators and new Tech Hubs," said Quentin L. Messer, Jr., CEO of the Michigan Economic Development Corporation (MEDC). "Michigan represents the future of innovation, especially hardware, where more and more companies are choosing to build new products and discover new ways to integrate systems. As we strive to maintain our leadership in high-tech innovation, we'll pursue these critical federal funding opportunities aggressively, 'Make it in Michigan' begins with innovation and regional collaboration and Team Michigan remains resolute in supporting via Tech Hubs and other federal engagement."

After the passage of the CHIPS and Science Act and Inflation Reduction Act, there are billions in federal resources on the table to power domestic manufacturing, specifically in the semiconductor and clean energy sectors. In addition to supporting efforts to bring a Tech Hub to Michigan, the state is preparing to launch the Make it in Michigan Competitiveness Fund to help bring home even more federal resources.

"With the creation of the Make it in Michigan Competitiveness Fund, Michigan now has the tools it needs to build the infrastructure and clean energy resources to win transformative investments in the semiconductor industry," Kolodin said "This fund will provide matching dollars for federal investments to win infrastructure, climate, and clean energy projects so that we can make it in Michigan."

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